

Reviewed BACAS May 15, 2014

CLAIM

DECLARATIONS EDUCATORS PROFESSIONAL LIABILITY POLICY		Policy Number EPO0000035
Renewal of EPO0000033	National Casualty Company Home Office: 16 North Carroll Street, Suite 209 • Madison, Wisconsin 53703-2783 Property/Casualty Division: 8877 North Gainey Center Drive • Scottsdale, Arizona 85258 1-800-423-7675 A STOCK COMPANY	
DECLARATIONS		
ITEM 1. POLICYHOLDER AND MAILING ADDRESS	GENERAL AGENT NAME AND ADDRESS	
PROFESSIONAL ASSOCIATION OF GEORGIA EDUCATORS P. O. BOX 942270 ATLANTA, GA 31141	MYRON F. STEVES AND COMPANY P. O. BOX 4479 HOUSTON, TX 77210-4479	
Agent No: _____		42511
ITEM 2. POLICY PERIOD	From: 07/01/2013 To: 07/01/2014	
12:01 A.M. Standard Time at the address of the POLICYHOLDER as stated herein.		

ITEM 3. LIMITS OF LIABILITY:

Coverage A—Educators Liability Insurance

- | | |
|---|--------------|
| 1. Per insured, per OCCURRENCE | \$ 1,000,000 |
| 2. Per OCCURRENCE | \$ 3,000,000 |

Coverage B—Bail Bonds

- | | |
|-------------------------------------|----------|
| 1. Per bail bond, per insured | \$ 5,000 |
|-------------------------------------|----------|

ITEM 4. PREMIUM:

- | | |
|--|---------------------|
| 1. Per professional member rate | \$ _____ |
| 2. Per support personnel member rate | \$ _____ |
| 3. Per student teacher member rate | \$ _____ |
| 4. Deposit Premium | \$ _____ |
| 5. Fees / Taxes | \$ NONE |

ITEM 5. Notice of CLAIM shall be given to:

Myron F. Steves and Company
P.O. Box 4479
Houston, Texas 77210-4479
Attn: Claim Administrator
Educators Professional Liability

ITEM 6. Policy and endorsements attached at inception: See Schedule of Forms and Endorsements

Authorized Signature:

Fred Steves

Date: 07/22/2013

Exhibit F

Policy No. EPO0000035 Effective Date 07/01/2013
PROFESSIONAL ASSOCIATION OF 12:01 A.M. Standard Time
GEORGIA EDUCATORS
POLICYHOLDER Agent No. 42511

National Casualty Company**ENDORSEMENT
NO. A**

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
EFO0000035	07/01/2013	PROFESSIONAL ASSOCIATION OF GEORGIA EDUCATORS	42511

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF DEFINITIONS
(INCLUDING MEMBERSHIP YEAR)**The following definitions are added to **SECTION III—DEFINITIONS**:The term **INSURED**, wherever used, shall mean a person who

is a Professional member, Support member or Student member of the Professional Association of Georgia Educators.

If the **INSURED'S** membership is a renewal, the term **INSURED** includes such members covered under the expiring policy who reapply within thirty (30) days of the end of their **MEMBERSHIP YEAR**. If the **INSURED'S** membership is a first year renewal, the term **INSURED** includes first time members covered under the expiring policy who reapply within sixty (60) days of the end of their first **MEMBERSHIP YEAR**.

The term **MEMBERSHIP YEAR** means one (1) year, commencing with the date the **INSURED'S** coverage was effective.

The term **ACTIVITIES OF THE INSURED IN HIS/HER PROFESSIONAL CAPACITY**, wherever used, shall mean activities of the **INSURED** in his/her duties as

an employee, student teacher or student intern at any Georgia public school, accredited private school, or other **EDUCATIONAL UNIT** from Pre-K through college and university level, or;

as an employee, student teacher or student intern in a professional education role in agencies funded by the Georgia Department of Education or the State of Georgia, or;

a student teacher or student intern, only in his/her capacity as such, at a public or accredited private school outside the State of Georgia as long as the student teacher or student intern is enrolled in such program through an accredited Georgia College or University,

subject to the exclusions of this policy.

AUTHORIZED REPRESENTATIVE_____
DATE

National Casualty Company**ENDORSEMENT
NO. B**

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	POLICYHOLDER	AGENT NO.
EPO0000035	07/01/2013	PROFESSIONAL ASSOCIATION OF GEORGIA EDUCATORS	42511

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASSAULT RELATED PERSONAL PROPERTY DAMAGE ENDORSEMENTThe following is added to **SECTION I—INSURING AGREEMENTS**:**Coverage C—Assault Related Personal Property Damage**Limit of Liability:.....\$ 2,500 Per **ASSAULT**

The Company will pay up to the limit of liability shown above for damage or destruction of the insured's personal property or other people's personal property when being used, or in the care, custody or control of an insured, provided the damage or destruction is caused by an **ASSAULT** upon the insured on or surrounding school property or while away from school property provided the insured is on an authorized school activity. This coverage is excess over any valid and collectible insurance available to the insured including Homeowners and Personal Property Floater policies. This coverage does not apply to damage or destruction of a **VEHICLE** of any kind. This coverage also does not apply to damage or destruction to property leased to, owned by or rented by an **EDUCATIONAL UNIT**.

For the purposes of this endorsement only, the following definitions are added to **SECTION III—DEFINITIONS**:

ASSAULT means a physical attack on an insured. Proof of an **ASSAULT** shall be a report of such **ASSAULT** to the appropriate civil police entity as soon as practicable.

VEHICLE means:

1. any motor driven device designed for transport on or off public roads. This includes, but is not limited to, autos, buses, motorcycles, motor bicycles, dune buggies, snowmobiles and golf carts;
2. any trailer or other device being towed by or carried on a **VEHICLE**; and
3. any device which travels on fixed rails or crawler treads.

Wheelchairs are not considered **VEHICLES**._____
AUTHORIZED REPRESENTATIVE_____
DATE

National Casualty Company**ENDORSEMENT
NO.** _____

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EPO0000035	07/01/2013	PROFESSIONAL ASSOCIATION OF GEORGIA EDUCATORS	42511

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**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
BROAD FORM**

It is agreed that:

I. This policy does not apply:

A. to loss:

- (1) with respect to which an **INSURED** under this policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada or would be an insured under any such policy but for its termination upon its exhaustion of its limit of liability; or

- (2) resulting from the **HAZARDOUS PROPERTIES** of **NUCLEAR MATERIAL** and with respect to which:

(a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

(b) the **INSURED** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization;

- B. to expenses incurred with respect to loss resulting from the **HAZARDOUS PROPERTIES** of **NUCLEAR MATERIAL** and arising out of the operation of a **NUCLEAR FACILITY** by any person or organization; or

- C. to loss resulting from the **HAZARDOUS PROPERTIES** or **NUCLEAR MATERIAL**, if:

(1) the **NUCLEAR MATERIAL**:

(a) is at any **NUCLEAR FACILITY** owned by, or operated by or on behalf of, an **INSURED**; or

(b) has been discharged or dispersed therefrom;

- (2) the **NUCLEAR MATERIAL** is contained in **SPENT FUEL** or **WASTE** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **INSURED**; or

- (3) the loss arises out of the furnishing by an **INSURED** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **NUCLEAR FACILITY**.

II. As used in this endorsement:

HAZARDOUS PROPERTIES include radioactive, toxic or explosive properties;

NUCLEAR MATERIAL means **SOURCE MATERIAL**, **SPECIAL NUCLEAR MATERIAL** or **BY-PRODUCT MATERIAL**;

SOURCE MATERIAL, **SPECIAL NUCLEAR MATERIAL** and **BY-PRODUCT MATERIAL** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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SPENT FUEL means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **NUCLEAR REACTOR**;

WASTE means any waste material:

- (a) containing **BY-PRODUCT MATERIAL** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **SOURCE MATERIAL** content; and
- (b) resulting from the operation by any person or organization of any **NUCLEAR FACILITY** included under the first two paragraphs of the definition of **NUCLEAR FACILITY**;

NUCLEAR FACILITY means:

- (a) any **NUCLEAR REACTOR**;
- (b) any equipment or device designed or used for:
 - (1) separating the isotopes of uranium or plutonium;
 - (2) processing or utilizing **SPENT FUEL**; or

(3) handling, processing or packaging **WASTE**;

- (c) any equipment or device used for the processing, fabricating or alloying of **SPECIAL NUCLEAR MATERIAL** if at any time the total amount of such material in the custody of the **INSURED** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; and
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **WASTE**;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

NUCLEAR REACTOR means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

AUTHORIZED REPRESENTATIVE

DATE

National Casualty Company**ENDORSEMENT
NO.** _____

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EPO00000035	07/01/2013	PROFESSIONAL ASSOCIATION OF GEORGIA EDUCATORS	42511

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOLD EXCLUSION

The following exclusion is added to **SECTION VI - EXCLUSIONS**:

This policy does not cover any loss, damage, cost, **CLAIM** or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

1. any sums that the insured becomes obligated to pay as damages because of an **OCCURRENCE** arising out of, resulting from, caused by or contributed to by any mold, mildew, spores, fungus, wet or dry rot, or their scent or byproducts, or of any materials containing them, at any time. The Company shall have no duty to investigate or defend any **CLAIM** or suit seeking such damages.
2. any loss, cost, or expense, arising out of any:
 - a. request, demand, order, or statutory or regulatory requirement that any insured or any other person or organization test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of any mold, mildew, spores, fungus, wet or dry rot, or any material containing them; or

- b. **CLAIM** or suit by or on behalf of a governmental authority or any other person or organization for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, any mold, mildew, spores, fungus, wet or dry rot, or any materials containing them.

This exclusion also applies to:

- a. any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; or
- b. any obligation to share damages with or repay someone else who must pay damages because of such injury or damage, either in equity or in tort; or
- c. the duty to defend or pay sums, which may be owed under the Supplementary Payments provisions of this policy.

All other terms and conditions remain unchanged.

AUTHORIZED REPRESENTATIVE

DATE

National Casualty Company**ENDORSEMENT
NO.** _____

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
EPO00000035	07/01/2013	PROFESSIONAL ASSOCIATION OF GEORGIA EDUCATORS	42511

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

The following Exclusion is added to SECTION VI -
EXCLUSIONS:

This policy does not provide coverage for any loss, damage, cost, CLAIM or expense from or in any way involving, directly or indirectly, asbestos in any form, whether airborne or not, including, but not limited to:

1. inhaling, ingesting, or prolonged physical exposure to asbestos or products containing asbestos;
2. the use of asbestos in construction or manufacturing any good, product or structure;

3. the removal or abatement of asbestos from any good, product or structure; or

4. the manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The Company shall have no duty to investigate, defend or indemnify any CLAIM or suit seeking such damages.

AUTHORIZED REPRESENTATIVE_____
DATE

National Casualty Company**ENDORSEMENT
NO. _____**

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EPO0000035	07/01/2013	PROFESSIONAL ASSOCIATION OF GEORGIA EDUCATORS	42511

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NONMONETARY DAMAGES EXCLUSION

Exclusion K. of **SECTION VI - EXCLUSIONS** is deleted in its entirety and is replaced by the following:

The Company shall not be obligated to make any payment or defend any lawsuit in connection with any **CLAIM** against the insured arising from:

- K. any action for equitable relief, injunctive relief, declaratory relief or any other relief or recovery that is not seeking monetary judgment, award or settlement;

The following exclusion is added to **SECTION VI - EXCLUSIONS**:

The Company shall not be obligated to make any payment or defend any lawsuit in connection with any **CLAIM** against the insured arising from:

- any action for any fees, costs or expenses including, but not limited to claimant/plaintiff attorney fees related to equitable relief, injunctive relief, declaratory relief or any other relief or recovery that is not seeking a monetary judgment, award or settlement.

AUTHORIZED REPRESENTATIVE_____
DATE

National Casualty Company**ENDORSEMENT
NO.** _____

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EPO0000035	07/01/2012	PROFESSIONAL ASSOCIATION OF GEORGIA EDUCATORS	42511

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HEALTH CARE SERVICES TO THE DISABLED AMENDATORY ENDORSEMENTThe following is added to **SECTION VI - EXCLUSIONS**:

The Company shall not be obligated to make any payment or defend any lawsuit in connection with any **CLAIM** against the insured arising from the rendering, failure to render, teaching or supervising of medical, surgical, dental, nursing, or other similar services, except, however, coverage would apply to health care services performed by the insured to students who are disabled within the meaning of the Individuals with Disabilities in Education Act, as amended, or within Section 504 of the Rehabilitation Act of 1973, when the rendering of such health care services is required by the insured's employer, provided the parent or guardian of the student has provided advance written approval for the rendering of such services.

AUTHORIZED REPRESENTATIVE_____
DATE

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National Casualty Company**ENDORSEMENT
NO.** _____

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EPO0000035	07/01/2013	PROFESSIONAL ASSOCIATION OF GEORGIA EDUCATORS	42511

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PRACTICUM OR INTERNSHIP AMENDATORY ENDORSEMENTThe following is added to **SECTION VI - EXCLUSIONS**:

The Company shall not be obligated to make any payment or defend any lawsuit in connection with an **CLAIM** against the insured arising from the rendering, failure to render, teaching or supervising of medical, surgical, dental, nursing, or other similar services, except, however, coverage would apply to psychological therapy or treatment provided during a practicum or internship required by or supervised by an **EDUCATIONAL UNIT** as part of an advanced or specialized degree program, and provided in a clinical setting administered by the **EDUCATIONAL UNIT**.

AUTHORIZED REPRESENTATIVE_____
DATE

National Casualty Company**ENDORSEMENT
NO.** _____

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NOTICE TO THE INSURED - GEORGIA

Pursuant to Statute 33-6-4(b)(15):

The laws of the State of Georgia prohibit insurers from unfairly discriminating against any person based up-
on his or her status as a victim of family violence.

AUTHORIZED REPRESENTATIVE_____
DATE

National Casualty Company**ENDORSEMENT
NO. C**

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE DATE (12:01 A.M. STANDARD TIME)	NAMED INSURED	AGENT NO.
EPO0000035	07/01/2013	PROFESSIONAL ASSOCIATION OF GEORGE EDUCATORS	42511

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IF CAREFULLY**CHANGE ENDORSEMENT**

For no change in premium, it is understood and agreed that the EP-P-1 (3-13) is deleted in its entirety and is replaced by the attached EP-P-2 (2-00).

AUTHORIZED REPRESENTATIVE_____
DATE

EDUCATORS PROFESSIONAL LIABILITY POLICY**National Casualty Company**

A Stock Insurance Company, herein called Company

The Company agrees with the insured and the **POLICYHOLDER**, named in the Declarations and made a part hereof, in consideration of payment of the premium and in reliance upon the representations made in the application and subject to the limits of liability, exclusions, conditions, and other terms of this policy, as follows:

SECTION I—INSURING AGREEMENTS**Coverage A—Liability Coverage**

- A. The Company will pay on behalf of the insured all sums which the insured shall become obligated to pay by reason of liability imposed by law for monetary damages resulting from any **CLAIM** made against the insured arising out of an **OCCURRENCE** in the course of the activities of the insured in his/her professional capacity and caused by any acts or omissions of the insured or any other person for whose acts the insured is legally liable. The Company shall defend any suit seeking monetary damages which are payable under the terms of the policy, even if such suit be groundless, false or fraudulent; but the Company may make such investigation, negotiation and settlement of any **CLAIM** or suit as it may deem expedient.
- B. As respects Coverage A, this policy applies only to **OCCURRENCES** (as defined) during the policy period.

Coverage B—Bail Bonds

The Company will pay the premium for bail bond(s) required of the insured, not to exceed \$1,000 per bail bond, but without obligation to apply for or furnish such bond(s). As respects Coverage C, this policy applies only to any bail bond(s) required of the insured arising out of activities of the insured in his/her professional capacity during the policy period.

SECTION II—DEFENSE AND SUPPLEMENTARY PAYMENTS

- A. Under Coverage A, the Company shall have the right and duty to defend any suit against the insured seeking monetary damages because of activities of the insured in his/her professional capacity even if any of the allegations of the suit are groundless, false or fraudulent. The Company shall not be obligated to pay any **CLAIM** or judgment or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgments or settlements.

The insured, except at his/her own cost and for his/her own account, shall not, without written consent of the Company, make any payment, admit any liability, settle any **CLAIM**, assume any obligation or incur any expense.

The Company shall have the right, but no duty, to appeal any judgment.

- B. The Company will pay in addition to the applicable limit of liability for Coverage A:
1. all expenses incurred by the Company, all costs taxed against the insured in any suit defended by the Company, and interest only on that part of any judgment which does not exceed the Company's limit of liability, which accrues after the entry of the judgment and before the Company has paid, offered to pay, or deposited in court that part of the judgment that does not exceed the Company's limit of liability;

2. premiums on appeal bonds required in any suit defended by the Company and premiums on bonds to release attachments in any such suit, but in no event for an amount in excess of the applicable limit of liability of the policy. The Company shall have no obligation to apply for or furnish any such bond(s);
3. expenses incurred by the insured for first aid to others for bodily injury resulting from an **OCCURRENCE** to which this policy applies; and
4. reasonable expenses incurred by the insured at the Company's request in assisting the Company in the investigation or defense of any **CLAIM** or suit, including actual loss of earnings not to exceed \$100 per day.

SECTION III—DEFINITIONS

- A. The term **OCCURRENCE** only applies to Coverage A. It means an event which results in monetary damages to someone other than the insured. An **OCCURRENCE** can involve a single, sudden event or the continuous or repeated exposure to the same conditions. If the latter, the exposure shall constitute a single **OCCURRENCE** and shall be deemed to have occurred as of the most recent exposure to said conditions.
- B. The term **POLICYHOLDER** means the association named in Item 1. of the Declarations.
- C. As respects Coverage A, the term **CLAIM** means an oral or written notice from any party whose intention is to hold an insured responsible for any acts or omissions of the insured arising out of an **OCCURRENCE** in the course of activities of the insured in his/her professional capacity.
- D. The term **EDUCATIONAL UNIT** means a school district, a college or university, a state department of education, an overseas dependent school operated by the Department of Defense, and/or any other institution for which the instruction of students is its primary purpose.

SECTION IV—POLICY PERIOD

All periods of insurance shall begin and end at 12:01 a.m. at the address of the **POLICYHOLDER**, except that the policy period for a new member (if all members are covered) or a newly participating member (if insurance is optional) shall begin at the time and date such member's application or election is received and approved by the association and shall expire on the expiration date specified in the Declarations or, if terminated earlier, such lesser period.

SECTION V—LIMITED WORLDWIDE LIABILITY COVERAGE

This policy shall apply anywhere in the world with respect to an **OCCURRENCE** arising out of the covered activities of any insured permanently domiciled in the United States of America though temporarily outside the United States of America, its territories or possessions, or Canada. The original suit or **CLAIM** for damages must be brought within the United States of America, its territories or possessions, or Canada.

SECTION VI—EXCLUSIONS

The Company shall not be obligated to make any payment or defend any lawsuit in connection with any **CLAIM** against the insured arising from:

- A. activities of the insured not conducted in his/her professional capacity;
- B. activities of the insured conducted in a private business or private professional endeavor;
- C. the ownership, maintenance, operation, use, loading or unloading of:
 1. vehicles of any kind, other than farm tractors not operated on public highways;

2. watercraft; or
3. aircraft;

however, coverage would apply to:

- a. an insured driver training instructor while riding as a passenger in the course of duties as an employee of a school system;
- b. an insured vocational education instructor in the course of regular instruction carried on in a shop provided by the school; and
- c. an insured while supervising students entering or exiting a school bus;

The coverage afforded herein does not apply when the insured has any other insurance of any kind whatsoever which affords coverage for such liability;

- D. liability assumed by an insured under any contract or agreement;
- E. war, whether or not declared, civil war, insurrection, rebellion, revolution, or any act or condition incidental to any of the foregoing;
- F. any obligation for which the insured or any carrier may be held liable under Workers' Compensation, Unemployment Compensation, Disability Benefits or similar laws;
- G. the rendering, failure to render, teaching or supervising of medical, surgical, dental, nursing, or other similar services, except, however, coverage would apply to:
 1. first aid and regular nursing services rendered by a school nurse employed for the purpose of rendering such services;
 2. first aid and regular nursing services rendered by a certified health aide employed for the purpose of rendering such services under the supervision of a school nurse;
 3. physical therapy rendered by a licensed physical or occupational therapist employed for the purpose of rendering such services;
 4. the administration of oral prescription medicine to a student by an insured, provided the insured has received advance written authorization for such administration from the parent or guardian of the student;

5. emergency first aid services rendered by an insured when a school nurse or other medically trained person is not readily available; and
6. psychological therapy or treatment rendered by a counselor employed for the purpose of rendering such services;
- H. criminal acts other than corporal punishment;
- I. liability as respects **CLAIMS** brought by teachers or other employees of any school system against the insured, as defined by the policy;
- J. an intentional act by, or at the direction of, the insured, whether or not any resulting damages are intended or foreseeable, except for such damages resulting from corporal punishment of any student administered by or at the direction of the insured;
- K. any action for declaratory judgment, injunctive relief, or other similar proceeding;
- L. activities of an insured while acting as a member of any school board or similarly constituted body;
- M. actual or alleged sexual misconduct, regardless of whether such misconduct is alleged to be intentional or negligent; or
- N. any **CLAIM** against an insured by the **POLICYHOLDER** or any parent, affiliate or subsidiary of the **POLICYHOLDER**.

SECTION VII—LIMITS OF LIABILITY

Regardless of the number of insureds under the policy, persons or organizations who sustain damages payable under this policy, and/or suits brought on account of coverage afforded by the policy, the Company's liability is limited as follows:

- A. The limit of liability stated in Item 3. of the Declarations as applicable to Coverage A, per insured, per **OCCURRENCE** is the maximum limit of the Company's liability for any one insured arising from any one **OCCURRENCE**;
- B. Subject to A. above, the limit of liability stated in Item 3. of the Declarations as applicable to Coverage A, the per **OCCURRENCE** limit, is the maximum limit of the Company's liability for all insureds arising from any one **OCCURRENCE**; and

- C. The limit of liability stated in Item 3. of the Declarations as applicable to Coverage B is the maximum the Company will pay for any one bail bond for any one insured.

SECTION VIII—CONDITIONS

A. Insured's Duties in the Event of Loss, Claim or Suit

1. In the event of an **OCCURRENCE**, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the Company or any of its authorized agents as soon as practicable.
2. If **CLAIM** is made or suit is brought against the insured, the insured shall immediately forward to the Company every demand, notice, summons or other process received by the insured or the insured's representative.
3. The insured shall cooperate with the Company and, at the Company's request, consent to being examined and questioned by a representative of the Company, under oath if necessary, attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses in the conduct of suits, as well as in the giving of a written statement or statements to the Company representatives and defense. In the event of a **CLAIM** occurring likely to involve the Company hereunder, the insured shall not make any payment, assume any liability or incur any expense without the consent of the Company first being obtained. The Company shall have full discretion in the handling of any **CLAIM**, and the insured shall give full information and assistance as the Company shall reasonably require.

B. Action Against Company

No action shall lie against the Company unless, as a condition precedent, the insured shall have fully complied with all terms of this policy, or until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured

after actual trial or by written agreement of the insured, the claimant, and the Company. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the Company as codefendant in any action against the insured to determine the insured's liability. Bankruptcy or insolvency of the insured or the insured's estate shall not relieve the Company of any of its obligations hereunder.

C. Other Insurance

This policy is specifically excess if the insured has other insurance of any kind whatsoever, whether primary or excess, or if the insured is entitled to defense or indemnification from any other source whatsoever, including by way of example only, such sources as state statutory entitlements or provisions. Other insurance includes, but is not limited to, insurance policies, state pools, and programs of self-insurance, purchased or established by or on behalf of any **EDUCATIONAL UNIT**, to insure against **CLAIMS** arising from activities of the **EDUCATIONAL UNIT** or its employees, regardless of whether or not the policy or program provides primary, excess, umbrella or contingent coverage.

In addition, Coverage A is specifically excess over coverage provided by any **EDUCATIONAL UNIT'S** or school board's errors and omissions or general liability policies, purchased by the insured's employer or former employers, or self-insurance program or state pools, whether collectible or not, and it is specifically excess over coverage provided by any policy of insurance which purports to be excess to a policy issued to the insured.

D. Subrogation

In the event of any payment under this policy, the Company shall be subrogated to all the insured's rights of recovery therefor against any person or organization, and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

E. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver

or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

F. Cancellation or Nonrenewal

This policy may be canceled by the **POLICYHOLDER** by surrendering the policy to the Company or any of its authorized agents, or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be canceled by the Company by mailing to the **POLICYHOLDER** at the address shown in this policy, written notice stating when, not less than thirty (30) days for nonpayment of premium, or ninety (90) days for any other valid reason, such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the **POLICYHOLDER** or by the Company shall be equivalent to mailing.

If this policy shall be canceled by the **POLICYHOLDER**, the Company shall retain the customary short rate proportion of the premium hereon. Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable. If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended to be equal to the minimum period or limitation of such law.

In the event of cancellation by either the Company or the **POLICYHOLDER**, and with the consent of the Company, the coverage for individuals for whom premium has been paid will continue until the end of the membership year of each.

If the Company elects not to renew this policy at the end of a policy term, a written notice of nonrenewal stating the reason for such nonrenewal will be mailed or delivered to the **POLICYHOLDER** at least ninety (90) days before the expiration date of the policy. The notice will be mailed to the last known address of the **POLICYHOLDER**. If notice is mailed, proof of mailing is sufficient proof of notice.

G. Audit

The premium shown in the Declarations is provisional and is based on the number of insured members at inception. The **POLICYHOLDER** agrees to maintain a record of insured members and the policy will be subject to audit in a manner determined by the General Agent with the agreement of the Company.

H. Severability Clause

It is agreed that the application and the Declarations are the basis of this policy and are to be considered as incorporated in and constituting part of the policy. As respects the particulars and statements contained in the application, conditions and the exclusions set forth herein, this policy shall be construed as a separate agreement with each insured. Nothing in this paragraph shall be construed to increase the Company's maximum liability as set forth in Item 3. of the Declarations.

I. Sole Agent

By acceptance of this policy, the **POLICYHOLDER** will act on behalf of all insureds with respect to:

1. exercising the option to purchase an Extended Reporting Period;
2. the giving and receiving of notice of **CLAIM(S)** or cancellation;
3. accepting any endorsement issued to this policy;
4. paying premium when due; and
5. receiving return premium.

Each insured agrees the **POLICYHOLDER** will act on the insured's behalf.

The **POLICYHOLDER** is charged with the responsibility of notifying the Company and all insureds of any changes that might affect the insurance provided by this policy.

J. Terms of Policy Conformed to Statutes

Terms of this policy which are in conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.